



Ravalli County Aviation Safety Foundation, Inc.

P.O. Box 1297
Hamilton, MT 59840
(406) 363-7018

February 2, 2009

RECEIVED

Board of County Commissioners
Ravalli County Administration Building
215 South Fourth Street Suite A
Hamilton, MT 59840

FEB 02 2009

Ravalli County Commissioners

--	--	--	--	--

Dear Commissioners:

Attached is a packet of material that you will find useful during your deliberations on the future of the Ravalli County Airport. The facts and financial information were gathered and formatted by a committee made up of members of the Ravalli County Aviation Safety Foundation, the Ravalli County Pilots Association, the Airport Advisory Board, and the Airport Manager. Assisting were representatives of the Montana Department of Transportation Aeronautics Division, the FAA, Wilbur Smith Associates, Robert Peccia and Associates, and the Ravalli County Accounting Office staff. Bitter Root Cultural Heritage Trust assisted with the community use information.

The accuracy of the information presented in "Ravalli County Airport 2009: Health and Safety," "Ravalli County Airport 2009: Community Use," and "Ravalli County Airport 2009: Smart Economics" has been verified. These fact sheets are summaries of pertinent points relating to the issue of proceeding with safety improvements at our community airport.

A draft copy of an airport economic impact study commissioned by the Montana Department of Transportation Aeronautics Division is included. It was prepared by Wilbur Smith Associates, a South Carolina firm that specializes in economic research, and was based on surveys of local businesses, airport user records, statewide tourism data, and other information that could be inserted into accepted formulae for calculating economic benefits to the local economy. A more detailed explanation of methodology is available to you on request.

There are a few notes you should be aware of when you read through the enclosed financial spreadsheets for the airport. Projections for future maintenance costs over the next 20 years are not yet available, so we only mention in "Smart Economics" a conservative estimate based on past costs and knowledge of the existing runway and taxiway condition. We were also not able to pin down an exact dollar amount for state registration fees for aircraft based at Ravalli County Airport, but are pursuing that information. We were also unable to compile all project local match numbers for the past 16 years, but made a good start. The amounts listed for FAA grants and Montana Aeronautics grants and loans are accurate and complete.

We hope you will find this information helpful. Please feel free to contact us for further clarification.

Sincerely,

Wendy Beye
Vice President

Enc.

RAVALLI COUNTY AIRPORT 2009: HEALTH AND SAFETY

Ravalli County is facing some difficult decisions that will impact a valuable community resource – the Ravalli County Airport. The Federal Aviation Administration (FAA) has determined that current verified use of the airport at Hamilton requires compliance with a new set of safety regulations. Several options for meeting the FAA's requirements are being examined in an Environmental Assessment that is still in process. The options are reviewed with several criteria in mind: level of safety achieved; environmental consequences including impacts on fisheries, wetlands, air quality, noise pollution, and historic resources; economic considerations; the community's aviation future needs including wildfire management, air ambulance, search and rescue, tourism and business use.

Morrison-Maierle, the engineering firm responsible for completion of the Environmental Assessment, has been working with the FAA, Montana State Fish Wildlife and Parks, Army Corps of Engineers, Montana State Historical Preservation Office, Montana Preservation Alliance, and other experts to address all possible concerns about the results of recommended safety improvements. After compiling extensive relevant data, the conclusion reached is that the alternative best satisfying most criteria is to shift the main runway 400 feet to the east and 600 feet north, and lengthen it to 5,200 feet. This alternative provides several attractive safety features.

IMPROVED SEPARATION FOR SAFETY AND NOISE REDUCTION

Aircraft currently landing or departing from Ravalli County Airport pass at a low altitude over a densely populated residential area located just off the south end of the runway. Shifting the runway east and north would allow aircraft to pass those homes at a substantially higher altitude, thus reducing current noise levels in that area, reducing any possible exposure to air pollutants produced by aircraft, and reducing risk if an aircraft-related emergency arises. The landing pattern would also be shifted to the east, and aircraft would no longer need to fly in close proximity to Hamilton High School. Ramp parking space would be increased, eliminating the need for extra landings and takeoffs many jets currently make so they can park at the Missoula County Airport.

FASTER RESPONSE FOR WILDLAND FIRE SUPPRESSION

Each year our wildland fire seasons seem to expand in length and severity. The Forest Service utilizes the Ravalli County Airport for its Bitterroot National Forest fire management activities. A safe fixed-wing base in a central location allows the FS to most efficiently handle fire emergencies. Fire patrol, Air Attack platform, single-engine air tanker, lead plane, and rotary aircraft can be co-located at the airport. Maintenance, fire crew re-supply, and overhead management team duties can be rapidly coordinated. A longer runway would increase safety for all the fixed-wing operations, including allowing aircraft to carry larger loads, (i.e., water/retardant, fuel, passengers), especially on hot days.

CONTINUED SAFE AND TIMELY MEDICAL EMERGENCY TRANSPORTATION

Other current uses would be safer with a longer runway and greater separation between taxiways, ramp space and the runway. Many of the air ambulance, business use, and recreational aircraft that currently use the Ravalli County Airport are operated with little or no safety margin in case of emergencies on takeoff or landing. Each pilot in command of an aircraft is responsible for making the decision to land or take off at a particular airport, and even though performance manuals are used to support the pilot's choice, the data available to make the determination can vary greatly from what is expected.

Our community deserves the safest airport possible to serve its varied needs for decades to come.

RAVALLI COUNTY AIRPORT 2009: COMMUNITY BENEFITS

The Environmental Assessment being prepared to examine the impacts of necessary safety improvements at Ravalli County Airport includes several alternatives that could result in additional unexpected benefits to the general public. These community benefits, available at minimal local cost, are a huge bonus if our county leaders choose to proceed with the proposed alternative that best meets safety improvements and planning for future use required by the FAA. Not only would we gain a safer airport, but also secure opportunities to cherish our culture, educate area youth, enjoy breathtaking views of the Sapphire Mountains, and provide new public recreation access to one of the most beautiful areas in the Bitterroot Valley.

ENHANCING OPPORTUNITIES FOR CELEBRATING OUR CULTURAL HERITAGE

The airport (county) already owns the Leonardi Farmstead, a fine example of an 1880's – 1930's typical family farmstead that for a few years was a Daly Bitterroot Stockfarm dairy farm. The Bitter Root Cultural Heritage Trust has plans to develop the site over the next few years to include nonprofit organization office space, a functioning orchard, agricultural demonstration areas, a showcase-quality pasture and hay harvesting operation, and a walk-through agricultural equipment museum. Our community's children will be able to learn about the valley's past by watching local farmers and ranchers demonstrate how to milk cows, shear sheep, harvest apples and garden vegetables, herd livestock, and use various types of farming and ranching equipment.

FILLING A NEED FOR MEETING SPACE AND YOUTH ACTIVITIES

If a land purchase is made in conjunction with plans to meet FAA safety standards at the Hamilton Airport, two 1930's – 1940's era hangars located just southeast of the existing runway will be moved west at FAA expense to new foundations, where they will be structurally stabilized and re-roofed. A committee established by the Ravalli County Aviation Safety Foundation has already begun working on plans to convert one of the hangars to an aviation museum to tell the stories of early agriculturally-related flying, World War II training, medical transport, and wilderness aviation in the Bitterroot. The other hangar would be transformed into a community center. These two buildings would fill community needs for a place for youth projects (i.e. restoration of antique aircraft, aviation and science education opportunities, and service) and for a medium-sized event center for symposia, reunions, and other gatherings. The community center would provide additional revenue to help maintain the airport as a self-sustaining facility into the future.

MAINTAINING OPEN SPACE ON THE VALLEY FLOOR

There is an opportunity through the proposed safety improvements to acquire more open space to preserve the beautiful view shed we have just east of town. Airports are by nature low profile. All hangars are now, and will be in the future, located on the west side of the runway, allowing an unobstructed view east to the Sapphire Mountains.

CREATING ACCESS TO ALLOW PUBLIC ENJOYMENT OF OUR HISTORY & VIEWS

There is a proposal to develop public trails across both the county-owned property and potentially some privately owned property in the vicinity of the airport. The trails would connect some of the historical buildings in the area, including the historical hangars and the Leonardi Farmstead, once a Daly dairy farm, with the Daly Mansion. These plans could move forward if more land is acquired, and with the cooperation of the FAA and private landowners. The possibilities for community participation are exciting.

RAVALLI COUNTY AIRPORT 2009: SMART ECONOMICS

One of the purposes of the current Environmental Assessment process and subsequent update of the Ravalli County Airport Layout Plan is to analyze alternatives for airport operations to accommodate use into the future and enhance the airport's unique ability to be a revenue producing county facility rather than a taxpayer liability. In meeting FAA requirements for safety improvements, the county has an opportunity to obtain federal assistance in purchasing airport equipment, maintaining safe runway and taxiway surfaces, creating more hangar and ramp parking space, and developing new miscellaneous revenue sources to ensure sufficient funding in years to come.

MAINTAINING SELF-SUSTAINABILITY

The Ravalli County Airport has historically been successful as a nearly financially self-supporting county operation. In years past, the airport has sometimes provided revenue to the county above and beyond its operating costs. Local airport revenue comes from aircraft fuel flowage fees, landing fees, hangar space ground leases, hangar development fees, Leonardi Farmstead agricultural lease, Forest Service operations, ramp tiedown fees, county road department gravel storage fees, and state registration fees for aircraft based at Ravalli County Airport. At present, all hangar building sites have been spoken for, and the associated development fees collected. Most of the sites have hangars constructed on them, and owners are paying the county annually for the leased ground. The preferred alternative in the Environment Assessment allows for new hangar sites and additional ramp tiedown space. Proposed development for community use of the Leonardi Farmstead and the historical hangars located southeast of the existing runway will also provide increased revenue sources for the airport. Other revenue-producing possibilities are being considered for the future. A stated FAA goal for public airports is that their sponsors (the county) work toward producing enough revenue to pay all operating expenses.

BOOSTING THE LOCAL ECONOMY

Capital improvements, land purchases, and runway/taxiway maintenance are funded 95% by the FAA from Aviation Trust Fund collections on aircraft fuel taxes, 2-1/2% by Montana State Aeronautics aircraft fuel taxes, and 2-1/2% local match. Local match money has come from the Ravalli County Aviation Safety Foundation, Montana Aeronautics low-interest loans repaid out of airport revenue, direct airport revenue, and sale of used airport equipment; local county taxpayers have seldom contributed to these expenditures, and there is no county mill levy imposed or being suggested for airport funding. Construction projects are generally awarded to Montana or local Ravalli County contractors, so that much of the money stays in the community, multiplying its effects as it ripples through non-airport related businesses. The FAA shares in runway and taxiway maintenance at the same 95% rate, allowing the county to operate a safe airport at 2-1/2% of the cost of improvements. Again, this 2-1/2% is generally funded from airport operations. Preliminary results of a statewide study conducted by Montana Aeronautics through Wilbur Smith Associates to determine the economic impact of a number of general aviation airports show that the Ravalli County Airport contributes over \$14 million per year to the local economy. This figure does not include the \$3.5 million granted by the FAA for various airport projects over the past 16 years. If the preferred alternative recommended by the Environmental Assessment is selected, at least \$20 million in additional grant money can be expected to pay for land acquisition, historical hangar mitigation plan implementation, and construction and rehabilitation of runway and taxiways. As a bonus beyond the community use possibilities of this project, the Bitter Root Irrigation District will be able to build a new, more convenient facility after selling their present location to the county for airport use, a sale funded at 95% by the FAA.

RISKING IT ALL

If Ravalli County chooses an alternative that is not satisfactory to the FAA and Montana Aeronautics, all future maintenance costs will become a 100% liability to the county, i.e. local taxpayers. It is not possible for a small general aviation airport to generate enough revenue to handle the capital expenditures necessary for maintaining a safe runway environment. Ravalli County could expect to spend several hundred thousand dollars per year over the next 20 years to insure safe operations. FAA Sponsor Grant Assurances require the County to keep the airport open to the public, so cessation of maintenance is not an option.

RAVALLI COUNTY AIRPORT						
Annual Operating Budget	FY06	FY 07	FY 08	FY 09	FY 10	FY 11
	Actual	Actual	Actual	Budgeted	Budgeted	Budgeted
	7/5 - 6/6	7/6 - 6/7	7/7 - 6/8	7/8 - 1/9	7/9 - 6/10	7/10 - 6/11
				<i>Actual</i>		
REVENUE						
Hangar Leases (Annual)	\$ 11,671	\$ 21,237	\$ 26,631	\$ 20,796	\$ -	\$ -
Development Fees	\$ 14,381	\$ 5,210	\$ 6,912	\$ 3,936	\$ -	\$ -
Fuel Flow Fees	\$ 8,613	\$ 11,619	\$ 12,770	\$ 2,414	\$ -	\$ -
Landing Fees (Jet Aircraft)		\$ 2,250	\$ 4,500	\$ 6,250	\$ -	\$ -
Operating Transfer					\$ -	\$ -
Hangar Property Tax				\$ 34,978	\$ -	\$ -
Aircraft Registration Fees	\$ 34,467	\$ 45,500	\$ 27,941	\$ 15,000	\$ -	\$ -
Other Revenue	\$ 69	\$ 2,951	\$ 316	\$ 96	\$ -	\$ -
DEQ	\$ 650	\$ 17,630	\$ 8,247	\$ -	\$ -	\$ -
Sale of topsoil, gravel, etc.			\$ 780	\$ 1,160	\$ -	\$ -
Farm Lease		\$ 2,750	\$ 5,156	\$ 5,000	\$ 5,000	\$ 5,000
SEAT Base	\$ 8,160	\$ 6,791	\$ 8,304	\$ 1,440	\$ -	\$ -
Total REVENUE	\$ 78,011	\$ 115,937	\$ 101,556	\$ 91,070	\$ 5,000	\$ 5,000
EXPENSES						
Salaries, Wages + Benefits	\$ 39,612	\$ 40,225	\$ 42,733	\$ 46,980	\$ -	\$ -
Insurance	\$ 2,500	\$ 2,500	\$ 2,625	\$ 2,650	\$ -	\$ -
Utilities	\$ 1,579	\$ 2,199	\$ 2,161	\$ 2,500	\$ -	\$ -
Communications	\$ 1,560	\$ 1,852	\$ 1,737	\$ 1,860	\$ -	\$ -
Office Supplies	\$ 2,092	\$ 962	\$ 2,720	\$ 962	\$ -	\$ -
Staff Development/Travel	\$ 806	\$ 482	\$ 1,053	\$ 1,100	\$ -	\$ -
Dues & Subscriptions	\$ 50	\$ 220	\$ 225	\$ 250	\$ -	\$ -
Loan Principal + Interest	\$ 13,230	\$ 12,741	\$ 12,252	\$ 11,764	\$ -	\$ -
Licenses + Permits		\$ 488	\$ 488	\$ 488	\$ -	\$ -
Vehicle Maintenance	\$ 1,742	\$ 2,999	\$ 3,695	\$ 6,000	\$ -	\$ -
Property Taxes			\$ 1,298	\$ 2,270	\$ -	\$ -
WX Maintenance Contract		\$ 400	\$ 381	\$ 400	\$ -	\$ -
Grounds Maintenance	\$ 4,697	\$ 3,150	\$ 880	\$ 3,150	\$ -	\$ -
Airport Spill		\$ 16,150			\$ -	\$ -
Equipment				\$ 1,500	\$ -	\$ -
Professional Services			\$ 1,340		\$ -	\$ -
Runway Improvements			\$ 710		\$ -	\$ -
Total EXPENSES	\$ 67,867	\$ 84,368	\$ 74,298	\$ 81,874	\$ -	\$ -
NET	\$ 10,144	\$ 31,570	\$ 27,258	\$ 9,196		
Aircraft Registration Fees	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000		
No DEQ Revenue or Expenses						
NET	\$ (9,973)	\$ (410)	\$ 7,411	(~\$1K/year of County Support)		



DRAFT

www.WilburSmith.com

The 156-acre airport's primary runway, Runway 16/34, measures 4,200 feet in length and 75 feet in width. The airport, with 126 based aircraft, experiences approximately 23,600 aircraft operations annually. Ravalli County Airport

Economic Impact Analysis

Economic impacts at an airport are measured through employment, payroll, and output (spending). On-airport business and government activities (direct impacts) account for a significant portion of an airport's first round economic benefits. Additional first round benefits are also linked to visitors who arrive via the State's system of airports (indirect impacts). Spending by these visitors supports additional employment and associated annual payroll. These first round impacts create additional spin-off benefits that ripple through the economy. These second-round or induced benefits were measured with Montana-specific IMPLAN multipliers. When combined, first round and second-round benefits equal the total economic impact associated with each airport.

First Round Impact

In 2008, there were ten aviation-related tenants on the airport, plus airport management, who supported 57 employees. These tenants' direct or first round employment, payroll, and output impacts were derived from survey data. Direct output from all on-airport aviation-related tenants is estimated at \$5.64 million annually. The estimated direct annual payroll of these tenants is \$2.21 million. Operational data indicated that approximately 7,300 visitors used the airport. Visitor-related spending supported an additional 12.5 full-time jobs for employees earning over \$243,800 annually. Indirect output from general aviation visitors is estimated at \$657,400. Not included in these impacts are benefits derived from on-airport construction projects.

Second-round Impact

The first round impacts associated with on-airport tenants and general aviation visitors also create second-round impacts throughout the State. Second-round impacts are induced impacts calculated using

the Montana specific IMPLAN multipliers. The accompanying table presents the 2008 first round, second-round, and total impacts for output, payroll, and employment as they relate to on-airport tenants and general aviation visitors.

Total Impact

For 2008, the total output (including first round and second-round impacts) stemming from all on-airport tenants and general aviation visitors to Ravalli County Airport was approximately \$10.42 million. Total full-time employment related to airport tenants and general aviation visitors, including all second-round impacts, is estimated at approximately 124.5 persons, with a total annual payroll (first round and second-round) of approximately \$4.20 million associated with these jobs.

Direct Economic Impacts		Spin-Off Economic Impacts
On-Airport	Visitor Spending	
FAA, Other Government Airport Management Aircraft maintenance Vendors Retail & Restaurant Car Rental Parking Other Ground Transportation Fixed Based Operators	<u>Visitor Dependent Businesses</u> Hotels Retail & Restaurants Travel Agents Convention Centers Tourist Destinations	Suppliers of Materials & Services to Airports, Air Dependent Businesses and Visitor Dependent Businesses and Respending of Worker Income Consumer Product and Service Sales
57 Jobs \$2.21M in Payroll \$5.64M in Economic Activity	12.5 Jobs \$243,800 in Payroll \$657,400 in Economic Activity	55 Jobs \$1.75M in Payroll \$4.12M in Economic Activity
124.5 Jobs, \$4.20M in Wages, \$10.42M in Economic Activity		

DRAFT

Qualitative Benefits

In addition to the economic benefits described above, Ravalli County Airport provides access and services that promote the well being of the local community. The airport is primarily a base for recreational flying, corporate aviation, and forest and rangeland firefighting. The airport is also used extensively for wildlife management, visitor access to area resorts, aerial inspections of utilities, air cargo operations, law

enforcement, emergency medical evacuation, and real estate tours. It also serves as a fire-fighting base for the Bitterroot National Forest. The Forest Service bases helicopters and single engine attack (SEAT) aircraft at the airport. The airport has three helipads dedicated for this activity.

Civilian flight training is another regular activity at Ravalli County Airport. The training is provided by Mission Mountain Helicopters and Flights of Fantasy Flight School. Other flight activity that occurs occasionally at the airport includes military exercises, career training, search and rescue operations, medical shipments and patient transfer, aerial photography, real estate tours, and banner towing. The airport also serves a critical role for emergency medical airlifts for aircraft based in Missoula.

Ravalli County Airport also hosts two annual events that provide additional economic benefits to the Hamilton, Montana region. Each Labor Day weekend, the Skydiver Boogie is held at the airport and attracts approximately 200 visitors. The Boy Scouts of America also host an aviation weekend in June. Approximately 100 people attend the event. The Hangar Café is a favorite spot for pilots and aviation enthusiasts.

According to airport management data, the major airport users include Rocky Mountain Lumber, Neville Log Homes, Fox Lumber, Shining Mountain, Charles Schwab Inc., and Industrial Lumber Sales. FAA data indicates the following businesses utilized the airport in 2008:

- Carfaye Inc.
- Conquest Services Inc.
- Erickson Petroleum Corporation
- Grouper LLC
- K & M Equipment
- Kelleher Corporation
- Mathews Properties Inc.
- On Line Accountant Corp.
- Pacific Cataract and Laser Institute Inc.
- Platt Electric Supply Inc.
- Preco Electronics Inc.
- Rolling Green Enterprises LLC
- Spence Enterprises